

ACCOMPLISHMENTS AND OBJECTIVES - OFFICE OF THE DEPUTY DIRECTOR (ADMINISTRATION)

1. We have established centralized responsibility for the general administration and supervision of CIA administrative support. Our activities in this area are generally the normal support operations confronting any Government Agency. However, considering that 71% of the total administrative effort is in support of clandestine operations, we are continually confronted with methods and techniques for which there is little precedent in Government and, because of the need to protect the security of our operations, methods and sources, our problems are considerably more complex and are of a magnitude unique to CIA. We have, for example, increased our efforts to carry out clandestine operations under non-Government cover. This necessitates the exploration of the cover potentials of existing commercial firms and other organizations throughout the world, and, where necessary, we create such organizations. We call these activities subsidy and proprietary projects. By their nature these activities cannot be supported, controlled and directed by our relatively standard administrative processes and regulations. To meet this situation we develop individual regulations and procedures for the support and control of each such activity. This process calls for the highest degree of ingenuity, foresight and coordinated effort among operating and administrative officials. In recognition of this situation, I will summarize by administrative components the major accomplishments we have attained in the past two years and our objectives for the next year.

2. A major administrative effort has been made in the past year to develop an effective Agency Regulatory system and to publish a comprehensive set of material essential for the integrated operation of the Agency. An organization such as CIA can only function effectively if the highest degree of common understanding exists among the major Agency components. In particular, the authorities and responsibilities of the several components must be clearly delineated and effective working relationships between administration and the operating components must be established. Our revised Regulatory system provides the basic policy and procedural instruction necessary for the integrated operation of all CIA components. It not only accommodates the differing needs of the Washington headquarters and the foreign field operations, but protects Regulatory material disclosing clandestine methods and policies from disclosure to persons who do not have a real need to know. These Regulations have simplified expression, improved format and substantive content, and reduced to one system numerous other prior issuances regulatory in nature. It is very significant that 81% of the new Regulations published reflect new policies or give expression the policies not previously stated in Regulations.

3. OFFICE OF THE COMPTROLLER:

a. In fulfilling the responsibility for the budgetary, financial and management programs of CIA, the Comptroller has completed the following major accomplishments:

(1) Revised and improved accounting and financial reporting concepts and procedures, incorporating the most current and up-to-date Government and commercial accounting principles. All accounting operations in Washington are by modern accounting machines. We recently installed a system of financial control of supplies, equipment and real

property. These and other assets are capitalized in our financial records and charged as operating costs on the basis of issue, usage, survey, or lessening of value through operations. We have developed a detailed, comprehensive financial statement and analysis of financial operations.

(2) Implemented considerable decentralization of activities to conform to the sources of basic operations. We have decentralized administrative examination of vouchers to [REDACTED] installations to which trained and competent certifying officers are assigned. Decentralization of audit and payment of field travel, and computation of allowances at selected field installations has been effected. STATINTL

(3) Initiated a program for the development, installation and inspection of accounting systems for proprietary and other special projects of the Agency, [REDACTED] overseas. In this connection we have implemented a systematic procedure for recruiting and assigning to proprietary projects personnel for Comptroller-type accounting positions. STATINTL

(4) Established in DD/P a system to control allotments in operating divisions and staffs which involved the establishment of a standard allotment control record, uniform concept of obligations, standardization of obligation documentation, and a procedure for processing obligation documents and reports.

(5) Implemented a program analysis staff for reviewing, fact-finding and reporting on selected projects and activities of the Agency.

(6) Successfully arranged for the Treasury Department to establish a disbursing officer in CIA pertaining to vouchered activities.

It has facilitated the issuance of checks and greatly simplified our fiscal activities. With this facility we have eliminated the preparation of covering summary standard forms to effect payments. Such payments are now effected through the direct use of invoices from claimants resulting in a considerable savings of man hours.

(7) Reorganized the Management Improvement Staff and effected more realistic and effective surveys on organizational structures and functional responsibilities, tables of organization, utilization of equipment, records management and other functions normally performed by a Management Staff.

b. The major objectives for continued improvement in the Office of the Comptroller are:

(1) The decentralization to field installations accounting records and allotment control. This would mean that ^{WASHINGTON} ~~we~~ would consolidate financial reports from the field rather than analysis and posting of field activities to Washington books.

(2) To extend the financial control over property to all field stations and depots.

(3) To continue and improve the program of developing and installing accounting systems for proprietary projects, and the assignment of Comptroller-type personnel to such projects in every case practicable.

(4) To extend the allotment control procedure developed for DD/P to all Agency Offices.

(5) To extend research in the methods and techniques of funding field installations and covert operations.

(6) To formulate an effective over-all program for analysis of CIA programs and financial activities.

(7) To implement and strengthen training programs for finance officers.

(8) To continue and expand the scope of Management studies and surveys to streamline procedures and expedite accomplishments in the most economical manner possible.

4. LOGISTICS OFFICE:

a. In the performance of the responsibilities for the procurement, distribution and accountability of CIA equipment, supplies, and real property, the Logistics Office has expanded both its internal and external objectives and has completed the following major accomplishments:

(1) The establishment of departmental working agreements with

STATINTL

(2) Development and publication of a supply catalogue and a material reference data manual.

(3) The completion of world-wide inventories and development of improved inventory controls and records.

(4) Centralized modern warehouse facilities in the Washington area and the establishment of complete supply depots on the

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(5) Development and implementation of an effective foreign arms procurement program.

(6) Development of controls whereby tonnages may be forecasted

to the Department of Defense to assure transportation will be available when needed.

(7) Instituted a Field Inspection Program for CIA real property and utilities.

(8) Undertaking construction programs in support of world base plans, including major sites at [REDACTED]

STATINTL

(9) Training and developing of personnel to support these world-wide activities and installations.

3. The Logistics Office has the following objectives in its work program for completion in the near future:

(1) Reallocate Agency assets world-wide to meet operational requirements based upon guerrilla warfare strength concepts.

(2) In collaboration with other activities of the Agency, develop standard tables of organization and equipment.

(3) Initiate post D-Day planning of logistics support and operations.

(4) Develop and expand logistics support for world-wide base concepts with immediate emphasis on the establishment of field depots in

STATINTL

[REDACTED]
(5) Expand the inspection and maintenance functions to insure world-wide adequate stock surveillance.

(6) Establish and implement world-wide stock balances and implement existing property accountability and property accounting on a world-wide basis.

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(7) Establish a [REDACTED] covert procurement enterprise to

replace the cutout services presently utilized.

(8) Insure adequate architectural and engineering planning and supervision of the construction of our proposed world bases as well as necessary construction in the ZI.

5. MEDICAL OFFICE:

a. During the last two years the Medical Office in its service function effected the following accomplishments:

(1) Liaison was established with the medical departments of other Government Agencies, affording an interchange of medical and related scientific information.

(2) A program of medical support by the [REDACTED] was inaugurated to provide the use of [REDACTED] to Agency personnel throughout the world.

(3) Criteria and standards were developed for the Psychiatric evaluation of personnel for specific types of assignments.

(4) Medical training programs were developed for and administered to physicians, medical technicians, nurses and lay personnel; also, specific training was established for personnel concerned with the medical aspects of operations.

(5) A program was established for the development and regular transmittal to the field of current information and developments in the field of drugs, treatments, public health and other matters of interest to medical personnel.

(6) A comprehensive medical supply program was implemented to facilitate the procurement, stockpiling, warehousing and delivery of medical items.

(7) Medical standards for evaluating physical examinations were established for all types of Agency positions.

(8) Medical installations were established, supplied and staffed with appropriate medical personnel in [REDACTED] on a world-wide basis.

STATINTL

(9) In line with a policy of delegation to the field, a Senior Medical Representative was assigned to the North Asia Command Staff for the purpose of providing technical medical advice to the Staff and to coordinate the activities of the medical personnel in the area.

8. The major objectives for the continued development and refinement of the over-all function of medical services are:

(1) To further develop and apply scientific methods of evaluation so as to ensure the physical and psychological suitability of personnel.

(2) To establish a program extending psychiatric services to overseas areas.

(3) To conduct clinical investigations in support of the medical aspects of clandestine operations, particularly in the paramilitary and psychological warfare fields.

(4) To develop a more comprehensive program of providing medical benefits.

(5) To continue the development and installation of new medical facilities as required in the field.

6. SECURITY OFFICE:

a. The Security Office has devoted its principal efforts to the

investigation and clearance of personnel for employment, establishing physical security controls, providing security policy, and furnishing security support for our operational activities. The work of the Security Office is unusually complicated in that it must provide security protection not only for our overt, but also our covert, activities. Careful attention has been paid to the security of personnel entering on duty with this Agency; those whose background and activities reflect security risk elements are promptly rejected. A continuing review is maintained of the record of current employees.

(1) In the Fiscal Year 1953 assistance was given for the entry to the United States of 126 aliens and arrangements were made for the departure from the U. S. of 152 other aliens. This action was effected by close coordination with the other departments of Government having responsibility in this field.

(2) The Security Office has provided operational support to the intelligence mission through special investigations of persons of interest to this Agency, establishing and arranging cover organizations, providing and servicing secure channels of communication, handling the transportation of sensitive information, materiel, and personnel, both within and outside the United States. It should be noted that the Security Office devotes 27% of its efforts to this form of activity. In the past two fiscal years, [REDACTED] physical security inspections have been conducted of our facilities.

(3) The Emergency Security Patrol has been greatly expanded for the protection of classified material in the event of an emergency.

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- 10 -

reviewing security practices [REDACTED] and recommending improvements in their security standards and principles. It also assisted in the review of security practices of the [REDACTED] and [REDACTED] respectively.

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(5) There have been [REDACTED] security officers assigned to our principal installations overseas for security support to those missions. We have also developed an intensive program of training of all security officers and, since July 1952, [REDACTED] employees of the Security Office have participated in these specialized training courses.

STATINTL

b. During the coming fiscal year and in the future, the Security Office will concentrate its activities along the following lines:

(1) To constantly strengthen and improve security policies and procedures of CIA, and to review and improve over-all security regulations for the control of internal security practices.

(2) To prevent, detect, and eliminate, as far as possible, any penetration of CIA by foreign intelligence organizations.

(3) To expand the Career Program with additional training and experience through rotation.

7. AUDIT OFFICE:

a. The Audit Office has initiated a streamlined program of site ^{audits} ~~audits~~ of Confidential Funds. We have spot checks of transactions, procedures and control with full investigation in areas where there is indicated need for comprehensive audit. Private public accountants have been cleared and utilized in the audit of proprietary and other special type operations of a commercial nature. Recently, the Audit Office established foreign field audit teams in

- 11 -

Europe, the Near East and the Far East to perform site audits at the locations where transactions take place and administrative examination of vouchers is performed.

b. It is anticipated in the next year that the field audit will be extended greatly in scope to cover those stations which are not audited in Washington. Additional public accounting firms will be recruited to effect more prompt and comprehensive coverage of commercial type covert projects.